

SECTION 19.20 EXPENSES THAT ARE REIMBURSABLE

Last Update: 07/09

THE FOLLOWING EXPENSES ARE ELIGIBLE FOR FULL REIMBURSEMENT NOT TO EXCEED THE MAXIMUM EXPENSE PROVIDED FOR IN 19.05 OF THE MANAGERS AND SUPERVISORS MANUAL:

a. **Movement of household goods by a moving company.**

- Moving interior and exterior household goods from the former principal residence to the new principal residence.
- Insurance for the full (no deductible) replacement value protection of all household goods. The cost of insurance must be clearly spelled out in the movers' bids.
- Cost of packing and unpacking household goods.
- Cost of disassembly and reassembly of household goods.
- Stop-over and pick-up charges. This also includes expenses of moving household goods into storage and removing household goods from storage.
- Storage charges on household goods for up to 90 days.

Payments to the carrier, transporter, or installer for moving expenses may be paid directly by the State or the employee may pay the carrier, transporter, or installer directly and request reimbursement from the State. In either case, the following documentation will be required:

- **Original** or faxed copies of two (2) signed moving company bid sheets from licensed carriers, transporters, or installers; and
- Original invoice or bill of lading furnished by the carrier, transporter, or installer; and
- Invoice marked "Paid in Full" and signed by the carrier, transporter, or installer (if paid directly by the employee); and
- Completed relocation expenses claim forms.

b. **Self-move of household goods.**

- Mileage reimbursement at the state rate for using a motor vehicle. More than one trip may be reimbursed between the former principal residence and the new principal residence, as necessary.
- Trailer and trailer hitch rental.
- **NOTE:** Some vehicles cannot accommodate the temporary installation of a trailer hitch and will necessitate the purchase and permanent installation of a trailer hitch. Reimbursement will be allowed when this is necessary.

- Truck rental plus reimbursement for the cost of fuel for the truck. More than one trip may be reimbursed between the former principal residence and the new principal residence, as necessary. Original receipts for fuel must be accompanied by documentation showing origin, destination and miles driven.

- Trip insurance for full (no deductible) replacement value protection for the time period of the move.

- Rental of equipment to disassemble or reassemble household goods.

- Day labor (maximum of \$12 per hour) hired to assist with the self-move (the employee and members of the immediate household are not eligible for this reimbursement). A hand written receipt dated and signed by the person receiving payment showing the hours worked and the amount paid must accompany the request for reimbursement.

c. Movement of a mobile home.

- Preparation of the mobile home for the move.

- Moving the mobile home including, as necessary, the cost of disassembly and reassembly of any components attached to or a part of the mobile home.

- Set-up including tie-downs, skirting, leveling pads and concrete blocks.

- Insurance for full (no deductible) replacement value protection of the mobile home.

NOTE: If not moved, the mobile home will be considered a principal residence and expenses related to its sale will be reimbursed accordingly.

- **Real Estate commission.**

Real estate agent commission on the sale of the employee's former principal residence.

The claim for reimbursement shall include one copy of the real estate closing statement showing the sale price of the residence and the realtor's commission fees.

- **Subsistence expenses (temporary living expenses).**

Subsistence expenses are defined, for this purpose, as breakfast, lunch, dinner, lodging, and up to ten minutes of long distance telephone or cellular phone calls to the former principal residence each day.

Subsistence expenses will start on the day prior to the day the employee is to report to the new duty station and end on the day after the employee's household goods are delivered to the employee's new principal residence or at the end of 90-calendar days, whichever comes first.

The 90-calendar days for the employee shall be consecutive unless the employee must be absent on state business from the new duty station for more than five consecutive workdays, in which case those days will not be counted toward the 90-calendar day time frame.

Subsistence reimbursement for meals and lodging will be up to the current rate for employee in-state travel as established in the Department of Administrative Services – State Accounting Enterprise (DAS-SAE) Accounting Policies and Procedures Manual Receipts for meals, travel and other allowable costs are required per Executive Order #13.

One member of the employee's immediate household, if living with the employee, is also eligible to receive up to the same amount per day for meals, *but not lodging*, for a maximum of 90-calendar days. Both 90-calendar day periods will run concurrently. This reimbursement is in addition to "expenses during move of household goods." Lodging may include month to month apartment rental and related utilities in lieu of a motel, in which case unrefunded deposits may be claimed for reimbursement. "Related" utilities are those items that would be included in the cost of a motel and are defined, for this purpose, as gas, electricity, basic telephone, basic cable television and water. Claims for reimbursement of subsistence expenses shall be filed on the (TP(RELO-EXP)).

In lieu of or in combination with subsistence expenses, an employee may be reimbursed for mileage and meals at the daily in-state rate to commute between the new duty station and the employee's former principal residence. Daily reimbursement for commuting will not, however, exceed the daily subsistence expense maximums that would be allowed if the employee remained at the new duty station location.

- **Income tax assistance.**

Employees must pay taxes on the prior calendar year's taxable relocation expenses. Income tax assistance payments of 35% for reimbursement of taxable relocation expenses will be included each time a claim is paid. **Important:** Employees will not receive any further compensation for taxable relocation expenses at the end of the calendar year.

THE FOLLOWING INCIDENTAL EXPENSES ARE ELIGIBLE FOR REIMBURSEMENT UP TO AN AGGREGATE TOTAL OF \$5,000:

- a. Marketing expenses to sell the residence without a realtor.**

Expenses associated with marketing the former principal residence for sale without using the services of a realtor are reimbursable in lieu of the realtor commission. All other expenses associated with the sale are subject to and covered by the \$5,000 limit.

- b. Costs associated with the employee's sale or purchase of a residence.**

To be eligible for reimbursement under this category, the employee must own his/her principal residence at the time of hire or reassignment (complete the Statement of Ownership of Principal Residence form).

This category includes necessary and reasonable costs incurred by the employee incidental to the purchase of a new principal residence and customarily paid by the buyer, and incidental to the sale of a former principal residence and customarily paid by the seller.

The following costs associated with the **sale** of the employee's principal residence are reimbursable under this policy:

- Items payable in connection with a loan:

Mortgage Release/Prepayment Penalty

Postage Fee

Veterans Administration Funding Fee

Wire Transfer Fee

- Title charges:

Abstract Continuation

Abstract or Title Search

Administrative Compliance Fee

Attorney Fee

Deed Preparation

Document Preparation

Notary Fee

Settlement Fee

- Government recording and transfer charges:

Deed or Tax Stamps

Mortgage Release Fee

- Inspection Fees:

Electrical/Plumbing Inspection

Pest Inspection

Radon Inspection

Structural Inspection

Termite Inspection

The following costs associated with the ***purchase*** of a principal residence are reimbursable under this policy:

- Items payable in connection with obtaining a loan:

Appraisal Fee

Closing Fee

Commitment Fee

Credit Report

Escrow Agent Fee

Loan Assumption Fee

Loan Origination Fee

Postage Fee

Prepaid Loan Fee

Processing Fee

Underwriter's Fee

Wire Transfer Fee

- Title charges:

Abstract or Title Search

Administrative Compliance Fee

Attorney Fee

Document Preparation

Flood Certification Fee

Notary Fee

Plat Drafting

Plat Drawing/Survey

Survey Charges

Title Examination

Title Insurance (Title Guarantee)

- Government recording and transfer charges:

Deed Recording Fee

- Inspection fees:

Electrical/Plumbing Inspection

Radon Inspection

Structural Inspection

c. Utility disconnect and connect charges.

Utility connect charges do not include refundable utility deposits or refundable utility cooperative memberships.

d. Residence disposal and location expenses.

- Transportation for up to two round trips between the former principal residence and the new principal residence (reimbursable at the current state rate if a personal automobile is used or at the coach rate if travel is by air) for the employee and one household member. This includes travel to conduct business associated with the sale of the former principal residence.
- Actual meal and lodging expenses for up to five days and four nights for each of the trips mentioned in the paragraph above for the employee and one household member while visiting the new principal residence location.
- Automobile rental for up to five days plus reimbursement for the cost of fuel for each of the trips mentioned in the paragraph above.
- Long distance telephone or cellular phone calls and fax charges incidental to the sale or subletting of the former principal residence and/or the purchase or rental of the new principal residence.

e. Expenses during move of household goods.

- Actual meals and lodging for the employee and each member of the immediate household for up to five days and four nights while household goods are in transit.
- At the time of the move, one-way mileage (at the state rate) for up to two vehicles, owned by the employee or a member of the employee's household, from the former principal residence to the new principal residence. Should the employee's household contain more than two licensed drivers, the number of vehicles for which mileage reimbursement may be claimed shall be equal to the number of licensed drivers. In lieu of driving automobiles from the former principal residence to the new principal residence, the employee and/or the employee's immediate household members may choose an alternate means of transportation for reimbursement and have the vehicles moved by the moving company.

f. Costs incurred in settling a lease, not to exceed 3 months' rent.

This expense shall not be allowed if it is determined that the employee knew, or reasonably should have known, that a reassignment was imminent before entering into a lease agreement.

g. Mortgage interest differential.

Mortgage interest differential is calculated when the mortgage interest rate on the new principal residence exceeds the interest rate on the mortgage on the former principal residence.

The reimbursement shall be the amount that would be required to reduce the new mortgage balance to an amount that could be amortized at the same monthly payment (principal and interest) as the old

mortgage. If the new mortgage is less than the computed amount for a new mortgage, the differential will be prorated and reduced accordingly. Use the Mortgage Interest Differential form for this calculation.

h. Market value differential.

Market value differential is the difference between the actual sale price obtained for the former principal residence and its estimated market value based on independent appraisals. If possible, obtain appraisals prior to placing the former principal residence on the market.

The differential is used when the actual sale price obtained for a residence is less than the estimated market value based on independent appraisals. The amount to be reimbursed shall not exceed 50% of the difference between the actual sale price obtained (following a good faith effort, including the use of a realtor, to market the property) and the average of two estimates of the market value prepared by two independent appraisers. The amount of the payment will be calculated using the Market Value Differential form.

The employee shall select two appraisers who are licensed or certified by the state of residence. The employee must make payment to the appraisers and submit the invoice marked "paid in full" along with the appropriate expense reimbursement vouchers to the appointing authority for reimbursement of these expenses.

If the appraisers' opinions of market value differ by more than 5%, the appointing authority will order a third appraisal. The market value estimate will then consist of the average of the three opinions.

The cost of the appraisals and any market value differential payment shall be included in the maximum reimbursement allowable under this section.

PROCESSING RELOCATION EXPENSES CLAIMS.

- Travel claims for **all** relocation expenses are submitted to the Department of Administrative Services, State Accounting Enterprise - Daily Processing (DAS-SAE-Daily Processing). The claims will include expenses that are not subject to withholding as well as expenses that are subject to withholding.
- Only expenses that are not subject to withholding will be paid on a Travel Payment form (TP) for relocation expenses.
- **All** expenses to be paid for the relocation will be detailed and coded on the TP, but the accounting lines for the taxable expenses will need to have a line drawn through them on the TP, charged to object code 2575, and paid through the payroll system. The Relocation Expenses Recap form details the expenses that will be paid through the DAS-SAE-Daily Processing and which expenses will be paid through the payroll system.
- A Correcting Journal Voucher document (JV1) or Corrective Document Expense (CDE) must be submitted with the TP when there are expenses that are taxable and paid through the payroll system. This JV1/CDE decreases object code 2575 and increases the applicable object codes with the gross amount of each expense. The amount of the decrease on the JV1/CDE will equal the amount that was lined off the TP and the amount paid through the payroll system.
- All documents relating to the relocation submitted to the State Accounting Enterprise must use the special Relocation cover sheet and there should be **no** approvals applied to the accounting system.
- The claim is pre-audited by the DAS-SAE-Daily Processing.
- The Relocation Expenses Recap form is initialed by the DAS-SAE-Daily Processing and the pink copy is sent back to the originating department if there are expenses to be paid through the payroll system (the goldenrod copy is always returned for the department's records).

- It is then the responsibility of the employee's department to prepare a Pay Information form (P-9) to include the amount that is subject to withholding in the employee's bi-weekly paycheck. The amount must be entered in the field entitled "MOVE/MILE SUBJ. TO W/H."

For the purposes of payment through the DAS-SAE-Daily Processing, the minimum documentation needed (or referenced to) is:

1. Original invoice or bill of lading furnished by the shipper.
2. Completed Travel Payment (TP) for Relocation Expenses.
3. **Original or fax copies** of the Moving Company Bid Sheet from two or more authorized carriers.
4. Completed IRS Tests for Preparing Relocation Expense Claims.
5. Completed Relocation Expense Recap – all 4 copies.
6. Completed Correcting Journal Voucher (JV1) or Correction Document Expense (CDE), if relocation includes expenses paid through the payroll system.
7. The official letter of hire or reassignment received by the relocating employee from the department.
8. Calculation of Mortgage Interest Differential, if applicable.
9. Calculation of Market Value Differential, if applicable.
10. Completed and signed Agreement for Recouping Recruitment, Retention, Education and Relocation Payments.
11. Statement of Ownership of Principal Residence.
12. All other receipts that are submitted for reimbursement.
13. A duplicate set of copies of all of the above.

NOTE: The DAS-SAE-Daily Processing must receive the original and one copy of all relocation reimbursement claim forms and any supporting documentation.